

Annapolis, March 21, 1906.

A meeting of the Board of Public Works was held this day at 10.30 a.m., in the office of the Governor; present: Governor Warfield, Comptroller Atkinson, and Treasurer Vandiver.

The Governor presented to the Board the following communication, which he had just received:

March 20, 1906.

Honorable Edwin Warfield,  
Governor of Maryland and Chairman,  
Board of Public Works,  
Annapolis, Md.

Dear Sir:

This acknowledges receipt of your communication of even date, enclosing copy of letter of date March 19th, addressed to you as Chairman of the Board of Public Works by Carville D. Benson, Chairman and John L. V. Murphy, Secretary, of the "Joint Special Committee in the matter of the Washington Branch of the Baltimore & Ohio Railroad Company," with a report of that Committee and stating that such report is the only report that has been considered and acted upon by the Joint Special Committee. This communication of the Committee is accepted as intended to remove the obstacle to further negotiations on the part of this Company with your Board in reference to a sale of the State's holdings of the Washington Branch stock, to which your attention was invited in letter of the 19th instant. In our opinion, under the circumstances, the negotiations should not be prolonged.

This Company, therefore, names to you now the maximum price for the fifty-five hundred (5500) shares of stock of the Washington Branch held by the State of Maryland which it will pay or guarantee, should your Board decide to sell the same.

In case your Board should offer for sale the above mentioned stock, this Company will guarantee that you shall receive a responsible bid therefor of two million five hundred thousand dollars (\$2,500,000).

Since the purchase price must, under the provisions of the Constitution, be paid in bonds or the registered debt of the State, and the sum mentioned is nearly one-half of the amount of such bonds outstanding, it is conditioned either that an arrangement be made by which the necessary bonds can be acquired at par from the Sinking Fund, or that payment

can be made from time to time as bonds can be acquired at par; interest running in the meantime on the unpaid portion of the bid at the same rate borne by the State Bonds. In case of the extension of the payment, the State would, of course, hold the stock as security.

Respectfully yours,

(signed) Oscar G. Murray.

President.

which, on motion of the Comptroller, seconded by the Treasurer, was ordered spread upon the Minutes of the Board, and a copy transmitted immediately to the Joint Special Committee in the matter of the Washington Branch of the B. & O. R.R. Company, with a copy of the Board's letter to Mr. Murray of March 20th.

On motion of the Treasurer, seconded by the Governor, the following draft of a letter transmitting Mr. Murray's letter to the Joint Special Committee was approved, and the letter ordered sent immediately to the Joint Special Committee.

(signed)

March 21, 1906.

Hon. Carville D. Benson, Chairman,  
Joint Special Committee in the matter of the Washington  
Branch of the Baltimore & Ohio Railroad Company,  
Annapolis, Maryland.

My dear Sir:

By direction of the Board of Public Works, I forward here with a communication just received from Mr. Oscar G. Murray, President of the Baltimore and Ohio Railroad Company, in reply to a letter which was addressed to him by the Board of Public Works on the 20th instant, a copy of which is enclosed.

Very respectfully,

Governor of Maryland, and  
Chairman of Board of Public  
Works of Maryland.

(signed) R.S. Hart,

Acting Secretary.

Annapolis, March 21, 1906.

The Board of Public Works of the State of Maryland, met, in the Governor's office, this day at 4.15p.m.

Present: Governor Warfield and Treasurer Vandiver.

Absent: Comptroller Atkinson, who had been called away by illness in his family.

The following communication was presented by the Chairman, which, on motion of Mr. Vandiver was ordered spread on the Minutes:

Annapolis, Md., March 21, 1906.

Honorable Edwin Warfield,  
Governor of Maryland and Chairman,  
Board of Public Works.

Dear Sir - -

This acknowledges receipt of your favor of even date enclosing communication from Mr. Oscar G. Murray, President of the Baltimore & Ohio Railroad Company, and a copy of a letter to him from the Board of Public Works of March 20th, 1906.

The Joint Special Committee to-day adopted the Resolution enclosed herewith, and further requested that the Board of Public Works meet with this Committee tomorrow at 3.30 p.m., or at such other time as may be convenient to your Honorable Board.

Yours very truly,

(signed) John L. V. Murphy

Secretary.

To the Honorable,  
The General Assembly of Maryland:

The Joint Special Committee of the Senate and House of Delegates, appointed under the Joint Resolution passed by this General Assembly and charged with the investigation of the interests of the State of Maryland in the affairs of the Washington Branch of the Baltimore and Ohio Railroad Company, respectfully submits to the General Assembly the following preliminary report:

Under the Joint Resolution creating this Committee, the Committee was directed to make a report on or before the 19th of March. Prior to that time, this Committee had, after arduous and diligent labor in procuring documentary evidence, and taking testimony, (all of which has been fully presented to the public through the activity of the daily press) accumulated information which leads this Committee to the belief that the State's interest in the Washington Branch has a possible value

of three millions of dollars, but to fully secure the value of said interests, would require litigation in several suits or actions, necessitating considerable delay and expense, with a doubt in the minds of some of the counsel as to the final result. A full prosecution of the State's cases and a realization of all that is claimed might secure to the State as much as three millions of dollars, while on the other hand, a failure in any of the suits might reduce the interests considerably below three millions. On the 19th inst., this Committee made a short report in consequence of information which they had received which leads them to believe that the Railroad Company would make a substantial offer for this stock, and extended the hope that they would be able, within a day or two, to report to the General Assembly an offer from the Railroad Company.

We are now informed that a substantial offer of Two millions, five hundred thousand dollars has been made by the Railroad Company, and this Committee desires to report to the General Assembly this offer, with the information, that, in their opinion, this is a much larger sum than could be procured from any other source. This Committee believes that a settlement of this matter without further litigation and delay would be greatly to the interests of the State, and would meet with the hearty approval of the people of the State, particularly the tax payers, who could be relieved from the burdens of taxation in having the State tax reduced to the fifteen cents collected for school purposes, and, therefore, recommends that this General Assembly proceed, without delay, to pass such Acts as will enable the Board of Public Works to accept this offer of the B. & O. R.R. and to fully consummate the sale. All of which is respectfully submitted.

(signed) Joseph B. Seth (Chairman) pro tempore.

John L. V. Murphy (Secretary).

On motion of the Treasurer, the following reply was ordered sent to the above communication.

March 21, 1906

Hon. Joseph B. Seth, Chairman pro tempore,  
Joint Special Committee in the Matter of the Washington  
Branch of the Baltimore & Ohio Railroad Company,  
Annapolis, Md.

Dear Sir:

Your communication of the 21st instant, transmitting copy of

the Resolution adopted by the Joint Special Committee in the Matter of the Washington Branch of the Baltimore & Ohio Railroad Company, and requesting that the Board of Public Works meet with the Joint Special Committee at 3.30 P.M., tomorrow, March 22nd, received.

The Board of Public Works, at a meeting just held, decided that it will cheerfully comply with the request of the Joint Special Committee.

Very respectfully,

Governor of Maryland, and  
Chairman Board of Public  
Works of Maryland.

On motion, the meeting adjourned at 4.25 P.M.

(R. S. Hart)

Acting Secretary.